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July 11, 2022

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The Honorable Chair and Members of the
Hawaii Public Utilities Commission
465 South King Street
Kekuanaoa Building, Room 103
Honolulu, Hawaii 96813
Attention: Caroline C. Ishida, Esq.
Rachel M. James, Esq.

RE: Docket No. 2020-0088 (In the Matter of Kauai Island Utility Cooperative For Approval of Deferred Accounting Treatment to Establish Regulatory Asset Associated with the COVID-19 Pandemic) and the Public Utilities Commission's COVID-19 Pandemic Related Orders: Kauai Island Utility Cooperative's Quarterly Customer Report Required By Order No. 38227

Dear Commissioners and Commission Staff:

This letter is being submitted on behalf of Kauai Island Utility Cooperative ("KIUC") for the purpose of filing KIUC's Quarterly Customer Report due on July 15, 2022 ("Q2 2022 Quarterly Customer Report"), as required by Order No. 38227, issued on February 11, 2022, in Docket No. 2020-0209 ("Order No. 38227").¹

In Order No. 38277, the Commission adjusted the requirements and frequency of the monthly report required by previous orders in Docket No. 2020-0209. More specifically, in Order No. 38277, the Commission ended the monthly reporting requirement outlined in Order No. 37506 issued on December 22, 2020 ("Order No. 37506") and instead directed the utilities to file a Quarterly Customer Report by the 15th of the month immediately following each quarter containing the reporting

¹ As stated in our letter to the Commission dated and filed on January 29, 2021 in Docket No. 2020-0209, KIUC provided notice that the monthly and quarterly reports that would have been filed in Docket No. 2020-0209, would be filed in the subject Docket No. 2020-0088.

requirements outlined therein.² This Q2 2022 Quarterly Customer Report is being filed in compliance with the requirements set forth in Order No. 38227.

KIUC notes that in addition to the above, KIUC has been filing a separate quarterly report in the subject docket (referred to hereinafter as the “Financial Condition Quarterly Report”), as required by the Commission’s Non-Docketed Orders,³ Order No. 37506 and Order No. 37667 issued on March 10, 2021 (“Order No. 37667”).⁴ Pursuant to these orders, any utility that booked regulatory assets was required to file this quarterly report. This Financial Condition Quarterly Report also includes additional information (1) as required by Decision and Order No. 37252 issued on July 31, 2020 in the subject docket (“Decision and Order No. 37252”),⁵ and (2) that KIUC indicated it would include as part of the quarterly report in its response to PUC-KIUC-IR-01, filed on June 28, 2021 in the subject docket. KIUC will continue to file this Financial Condition

² See Order No. 38227 at 9-10.

³ The Non-Docketed Orders consist of Order No. 37125 issued on May 4, 2020, Order No. 37153 issued on May 28, 2020, Order No. 37189 issued on June 26, 2020, Order No. 37251 issued on July 31, 2020, and Order No. 37284 issued on August 24, 2020. Pursuant to the Non-Docketed Orders and Order No. 37506, the quarterly report is to contain (1) the amounts of the costs incurred and any savings realized, which have been booked to the regulatory assets; (2) updated information regarding the utility’s financial condition; and (3) a list of the measures the utility has in place to assist its customers during the COVID-19 emergency situation. These orders also provide that a utility should inform the Commission in its quarterly reports if a previously-reported upon measure the utility had in place to assist customers has since been terminated, as well as a short description of the utility’s rationale for the termination of that measure.

⁴ See for example KIUC’s filings made in the subject docket on October 30, 2020, February 1, 2021, May 3, 2021, August 2, 2021, November 1, 2021, February 1, 2022, and May 2, 2022 (with revised filing on May 24, 2022).

⁵ Pursuant to pages 21-22 of Decision and Order No. 37252, the following additional information is to be provided by KIUC in its Financial Condition Quarterly Reports:

- A. Identify the lost gross margin for each month and increased bad debt expense by customer class, as applicable;
- B. Identify the calculation methodology utilized for both lost gross margin calculations and deferral of bad debt expense for each month that there is a deferral;
- C. Identify any funds received from loans, grants, assistance or benefits received in connection with COVID-19;
- D. Identify cost savings realized in connection with COVID-19, including the records and metrics used to measure and track any cost savings that have resulted from the COVID-19 emergency period; and
- E. Include a percentage depiction of COVID-related costs, in relation to overall costs.

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Quarterly Report with the Commission as a separate filing, with the next report to be filed on or before August 1, 2022.⁶

Thank you for your consideration in this matter. Should you have any questions, please do not hesitate to contact the undersigned.

Very truly yours,

/s/ Lianna L. Figueroa

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Enclosures

c: Division of Consumer Advocacy

⁶ In Order No. 38277 at 7, the Commission states that “[u]tilities which have been filing quarterly reports due to their election to establish regulatory assets may integrate these reports into the Quarterly Customer Reports.” KIUC had contemplated integrating its Financial Condition Quarterly Report into the Quarterly Customer Report. However, certain information needed for the Financial Condition Quarterly Report as required or set forth in the Commission’s Non-Docketed Orders, Order No. 37506, Order No. 37667, Decision and Order No. 37252, and/or KIUC’s response to PUC-KIUC-IR-01 is or will not be available in time for KIUC to complete the report by the 15th-of-the-month deadline for the Quarterly Customer Report as set forth in Order No. 38227. As such, KIUC will continue to file the Quarterly Customer Report and the Financial Condition Quarterly Report as two separate reports unless directed otherwise by the Commission.

Order No. 38227
Docket Nos. 2020-0088 and 2020-0209
Quarterly Customer Report
Name of Utility: Kauai Island Utility Cooperative
Date: July 11, 2022

No.	Data Point	Data		
1	Applicable Period for this report	April 1, 2022 - June 30, 2022		
2	Total number of Utility Customers, by applicable customer classes	Residential: 29,914	Commercial: 8,867	Total: 38,781
3	Total number of customers that are eligible for disconnection due to nonpayment of bills, but have not been disconnected due to enrollment in a payment plan arrangement	A total of 88 customers are eligible for disconnection due to nonpayment of bills, but have not been disconnected due to enrollment in a payment plan arrangement.		
4	Total number of customers disconnected due to nonpayment of bills during this period	A total of 44 customers have been disconnected due to nonpayment of bills during this period.		
5	Total number of customers disconnected due to nonpayment of bills during the same period in 2017, 2018, and 2019, if available	2017 2nd Qtr 42	2018 2nd Qtr 44	2019 2nd Qtr 12
6	Number of customers in arrears by vintage (31-60 days, 61-90 days, 91-120 days, 121+ days) ¹ by applicable customer classes	Past Due: 31-60 Days 61-90 Days 91+ Days Total	Residential: 1,615 391 167 2,173	Commercial: 280 54 28 362
7	Number of unique customer accounts that have arrearages at least 31 days past due	There are 1,895 unique customer accounts that are at least 31 days past due.		
8	Total dollar value of unpaid balances by vintage (31-60 days, 61-90 days, 91-120 days, 121+ days) ¹ , by applicable customer classes	Past Due: 31-60 Days 61-90 Days 91+ Days Total	Residential: \$247,184 \$50,562 \$48,490 \$346,236	Commercial: \$824,522 \$29,023 \$36,934 \$890,479
9	Description of available payment plan arrangements for customers with past due balances	Payment plans continue to be available to all KIUC customers who desire help to pay off their outstanding balances over a period of their choice of up to 3-months. ²		
10	Number of payment plan agreements Utility entered into with its customers:			
a.	Since the Utility's last report was filed with the Commission, and the average repayment term of those agreements;	In April - June of 2022, KIUC entered into 11 payment plans with its customers with an average repayment term of 7 months.		
b.	Total number of successfully completed payment plan agreements since the Utility's last report was filed with the Commission	In April - June of 2022, 103 payment plan agreements have been settled.		

¹ KIUC's National Information Solutions Cooperative (NISC) Customer Care and Billing system does not currently provide reporting on past due balances beyond 90 days. Obtaining additional breakdown beyond 90 days in order to fulfill the 91-120 and 121+ fields in Data Points 6 and 8 above would require initiating a change request with NISC and paying for a custom report to be created.

² As noted on page 3 of the revised supplement to its quarterly report filed in this docket on May 24, 2022, effective as of June 1, 2022, KIUC returned to its standard payment plan term length of up to 3-months for customers with past due balances who applied to enter into a new Payment Arrangement Plan (PAP). This change did not affect any customers with PAPs in place prior to June 1, 2022.

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